

How
Other
people
get
ahead



Digitized by the Internet Archive
in 2015

How Other People Get Ahead



By
Frederic J. Haskin

Published by
Savings Division
U. S. Treasury Department

If you earn from \$15 a week
to \$5,000 a year—

This is for YOU

W. S. S.—49

WHAT'S THE USE?

There are only two reasons for saving any money. One is liberty and the other is the pursuit of happiness. If neither of these reasons interest you, stop right here.

If you're still reading, it is because you desire either liberty or happiness, or both, in a greater degree than at present you have them.

Other people have had the same desire, and have worked hard toward its realization. Often they have succeeded. Sometimes they have been willing to explain how they have succeeded.

You are different from any of them. Managing your personal affairs is very much your own business. Perhaps the worst thing you could do would be to try to run them exactly as some one else runs his or hers, because you would fail. You must do it your own way.

So is every business different from every other business in the same field.

Yet every business man in the world is interested in knowing how other men in the same line of activity figure their costs, and where the profit, or loss, at the end of the year comes from. He is still more interested in figuring his own.

The business of liberty and the pursuit of happiness is just like any other business. The more you know about how other people manage it, the better you can do it yourself, and unless you keep track of it, it is likely to go on the rocks.

A great deal has been found out, at great expense, about some of the costs in this business, and how it has been conducted successfully.

From voluminous sources, this information has been boiled down into small space and convenient form. And a very easy way of deciding for yourself just how you want to manage your own enterprise to suit yourself is included. If you follow it you will soon know two things:

1. Why you don't save more money, and
2. How you can save more money.

Better than that, you *will* save more money. That is, more liberty, more happiness.

Here's wishing you plenty of both.

HOW THEY WIN.

Some men save money by spending it. Some men spend money by saving it. They save the wrong dollar, for the wrong thing, at the wrong time. You have seen it yourself. We can't learn anything from them except what not to do.

Look over the successful ones. They are the ones that interest us. Some of them made money in banks. One man started on a salary of \$8.50 a week—yes, it would buy more then than it does now—and became owner of a chain of retail stores reaching from coast to coast, all devoted to nickels and dimes. Some men made it in manufacturing.

All different? In a way. But note this. *Every fortune founded on thrift was based on the unvarying practice of saving a definite sum, small or large, before any spending was done.* The first dollar out of the pay envelope or the salary check is always the easiest dollar to spend. It also is the easiest dollar to save, and the man who can't save that dollar can't save any dollar.

THIS ACTUALLY HAPPENS.

A good many people save money right along. There is none of them who would not be willing to save more, invest more, and increase that portion of their income which comes from work done by money and not by themselves. Other people haven't got around to saving—yet. They don't see how their neighbors do it. Boiled right down, their neighbors do it by saving before spending, and the rate at which they save is about as follows:

SUGGESTED STANDARDS FOR MONTHLY SAVING.

Monthly income.	Number in family.				
	One.	Two.	Three.	Four.	Five.
\$ 65 (\$15 a week).....	\$1				
\$ 75 (\$900 a year).....	4				
\$100 (\$1,200 a year).....	12	\$10	\$7	\$5	\$3
\$150 (\$1,800 a year).....	30	27	21	15	10
\$200 (\$2,400 a year).....	60	48	40	31	21
\$250 (\$3,000 a year).....	90	65	53	40	30
\$417 (\$5,000 a year).....	175	126	106	91	77

“WHERE DOES ALL MY MONEY GO?”

It's cost a good deal of money and thought and planning for most of us to get along these days, after that first dollar, or two, or three, or ten dollars, is put where it belongs—to our credit, where it will go to work for us. Money has wings. Money directed by intelligence brings good returns, and a man can save more and spend to greater advantage if he knows just what his money has been going for in the past.

Some items of spending he can tell offhand, such as rent, business, car fare, insurance; others, like food and clothing, the housewife knows pretty accurately or can estimate; personal expenses, like recreation or health, perhaps no one has checked up. To write down a detailed estimate of just what money has been going for is the first step in finding out where you stand.

The next is to estimate the corresponding expenditures for the ensuing week or month and then see how nearly your estimate matches the facts. A very simple way of doing that is this:

Write down what has been saved and spent; estimate future savings and spending.

Anyone can do this and make money by it.

Try it and see what happens.

	I. Amounts last week, or month ending	II. Plans for next week, or month ending
INCOME or EARNINGS per week or month.....	\$.....	\$.....
1. SAVINGS (to be made in advance of spending):		
Payments on War Savings Stamps and Liberty Bonds.....		
Other savings, including insurance.....		
Total of these savings.....		
2. AMOUNT LEFT TO SPEND (income less savings).....		
3. EXPENDITURES:		
Rent or house expense (taxes, interest, fire insurance, repairs).....		
Food.....		
Clothing.....		
Housekeeping expenses (supplies, fuel, light, repairs, laundry, wages, etc.).....		
Personal expenses—		
Church and charity.....		
Health, recreation, education (reading, etc.).....		
Personal and miscellaneous (fares, gifts, toilet, etc.).....		
Total personal expenses.....		
Set aside for United States income tax.....		
Total amount spent.....		

THE PROOF OF THE PUDDING.

What comes next is really a composite photograph of how people save money by saving first, and by keeping tab on their expenditures. It is not the saving of any one man or woman or family on any one income. It is a careful estimate of the average distribution of expense among many families and individuals who are interested in saving for the sake of what it will bring to them and to their children, in peace of mind, protection, independence, education—all of the things that go to make up liberty and happiness.

It may interest you to know that your expense for rent is lower than the average or that your cost for food is higher. Very likely this condition, if it exists, is quite right. That is for you to decide. It is your own business of living. The value of all this information in condensed form is comparative. These tables represent what is considered to be a fairly normal distribution of income in widely varying conditions.

Here they are:

THE FAMILY INCOME.

HOW MUCH MANY FAMILIES SAVE EACH MONTH—WHAT THEY DO WITH THE REST.

	\$1,200 a year—\$100 a month.			
	Number in the family.			
	Two.	Three.	Four.	Five.
War Savings Stamps and other savings.....	\$10	\$7	\$5	\$3
Rent.....	16	16	16	16
Food.....	27	34	41	48
Clothing.....	13	14	15	15
Housekeeping expenses.....	10	9	8	7
Church and charities.....	6	5	3	1
Health, recreation, education.....	10	8	6	5
Personal, miscellaneous.....	8	7	6	5
Total for month.....	100	100	100	100

The \$1,200 income will divide differently according as the family lives in a city, a small town, or on a farm. It will vary with the occupation of the man. Rent, for example, may be less or more, and so with other allowances given. Some families have a garden, keep a cow, raise chickens, so that less money is needed for food. On the farm a \$1,200 money income is, of course, a much larger income than in a city, because the price of products used and value of rent are properly additions to the money income.

In many cities rent, car fare, and other expenses may be higher than the allowances here, so that \$1,200 would be insufficient; in New York City \$1,400 to \$1,500 is often estimated as the amount on which a family of five can obtain adequate food, decent shelter, proper clothing, and reasonable comforts.

The savings on the \$1,200 income, especially with the larger families, will be chiefly emergency savings, something laid aside for the "rainy day" that may come at any time. War Savings Stamps not only provide this resource, but draw interest at the rate of 4 per cent, compounded quarterly from the day of purchase.

With larger incomes the physical needs of the body for food, clothing, and shelter are the same as with smaller incomes, but there is a greater margin or region of choice, resulting in different standards for housing and for clothing, and often in more expensive food. Larger incomes mean more for the things one wants; they should always mean more given away and more saved and a larger proportion invested in securities.

	\$1,800 a year—\$150 a month.				\$2,400 a year—\$200 a month.			
	Number in the family.				Number in the family.			
	Two.	Three.	Four.	Five.	Two.	Three.	Four.	Five.
War Savings Stamps and other savings.....	\$27	\$21	\$15	\$10	\$48	\$40	\$31	\$21
Taxes (Federal income).....					2	1		
Rent.....	20	20	22	22	25	25	27	27
Food.....	37	44	51	58	40	48	56	64
Clothing.....	20	20	21	22	22	25	28	30
Housekeeping expenses.....	11	12	12	12	18	20	20	20
Church, charities.....	10	9	8	7	15	12	11	11
Health, recreation, education.....	12	12	10	10	14	14	13	13
Personal, miscellaneous.....	13	12	11	9	16	15	14	14
Total for month.....	150	150	150	150	200	200	200	200

	\$3,000 a year—\$250 a month.				\$5,000 a year—\$416.66 a month.			
	Number in the family.				Number in the family.			
	Two.	Three.	Four.	Five.	Two.	Three.	Four.	Five.
War Savings Stamps and other savings.....	\$65	\$53	\$40	\$30	\$125.66	\$105.66	\$90.66	\$76.66
Taxes (Federal income).....	5	4	3	2	15.00	14.00	13.00	12.00
Rent.....	30	30	35	35	50.00	50.00	60.00	60.00
Food.....	40	48	56	64	45.00	55.00	65.00	75.00
Clothing.....	30	33	36	39	45.00	50.00	55.00	60.00
Housekeeping expenses.....	25	30	32	32	50.00	60.00	63.00	65.00
Church, charities.....	19	17	16	16	36.00	33.00	27.00	25.00
Health, recreation, education.....	18	18	16	16	25.00	25.00	22.00	22.00
Personal, miscellaneous.....	18	17	16	16	25.00	24.00	21.00	21.00
Total for month.....	250	250	250	250	416.66	416.66	416.66	416.66

THE INDIVIDUAL'S INCOME.

A PLAN FOR REGULAR SAVING AND FOR SPENDING.

	\$15 a week, or \$65 a month, or \$780 a year.		\$17.30 a week, or \$75 a month, or \$900 a year.	
	A week.	A year.	A week.	A year.
War Savings Stamps and other savings.....	\$0.25	\$13.00	\$1.00	\$52.00
Room and board.....	8.00	416.00	8.00	416.00
Lunches.....	1.50	78.00	1.50	78.00
Car fare to business.....	.60	31.20	.60	31.20
Clothing.....	3.00	156.00	3.50	182.00
Laundry.....	.45	23.40	.50	26.00
Church, charities, gifts.....	.20	10.40	.50	26.00
Health, recreation, education.....	.75	39.00	1.00	52.00
Miscellaneous.....	.25	13.00	.70	36.40
Total.....	15.00	780.00	17.30	899.60
Balance for extra Thrift Stamps.....				.40
				900.00

	\$23.08 a week, or \$100 a month, or \$1,200 a year.		\$34.60 a week, or \$150 a month, or \$1,800 a year.	
	A month.	A year.	A month.	A year.
War Savings Stamps and other savings.....	\$12.00	\$144.00	\$30.00	\$360.00
Federal income tax.....	1.00	12.00	4.00	48.00
Room and board.....	40.00	480.00	45.00	540.00
Lunches.....	8.00	96.00	11.00	132.00
Car fare to business.....	2.60	31.20	2.60	31.20
Clothing.....	16.75	201.00	25.00	300.00
Laundry.....	3.25	39.00	4.00	48.00
Church, charities, gifts.....	4.40	52.80	10.00	120.00
Health, recreation, education.....	8.00	96.00	12.00	144.00
Miscellaneous.....	4.00	48.00	6.40	76.80
Total.....	100.00	1,200.00	150.00	1,800.00

MORE INFORMATION, IF YOU WANT IT, FOR YOUR INDIVIDUAL PLANS.

To change weekly costs to monthly costs multiply by $4\frac{1}{3}$; to change monthly costs to weekly costs divide by $4\frac{1}{3}$.

Safe investment is doubly necessary when only a small amount can be saved. War Savings Stamps are absolutely safe; they bear a high rate of interest, and you can get your money back with interest if your rainy day arrives.

Room and board, lunches, car fare to business are related expenditures. Board may include lunches. Higher room rent nearer to business may save car fare. Increased car fare may mean lower board.

Clothing should include repair and cleaning. Laundry might be included under this head.

Recreation includes amusements, vacation, and travel. Education means books and papers, magazines, vocational classes. Miscellaneous is used as a convenient term to cover postage, stationery, telephone, toilet articles, and the small expenses not included under other headings.

Many expenses are increased when one leaves the family group to live alone. The need for recreation is greater. Laundry must be sent out. The wage-earning woman must usually purchase her clothing ready made, even when it is more expensive, and the time she might take for repairing it is often better spent in fitting herself to get ahead in her chosen work.

Savings, on the other hand, may be even more necessary than in the family group for one dependent wholly upon individual resources.

INFORMATION IN PRINTED FORM.

Thrift leaflets discussing problems of individual and family economy are being issued by the United States Department of Agriculture, co-operating with the Savings Division, Treasury Department. These leaflets, which are available on application to the Department of Agriculture, are on: "Is Thrift Worth While?" "Seven Steps Toward Saving," "Clothing for Your Family," "Care of Clothing," and similar subjects.

All of them will be useful in your undertaking to

SAVE FIRST.

SPEND AFTERWARDS.

BUY WAR SAVINGS STAMPS,

The best Government security.

KEEPING ACCOUNT OF SAVINGS AND EXPENDITURES HELPS TO GET AHEAD.

Here is a simple form that classifies everything—try it. Enter your savings and expenditures daily in the form on the following pages, using a page a month. At the end of each month carry the totals forward to the monthly summary sheet at the end, and watch the amounts. Compare them with your plan for saving and spending.

MONTHLY SUMMARY OF SAVINGS AND EXPENDITURES.

(To be filled in at end of each month, bringing totals from monthly records on preceding pages. Compare monthly amounts for similar items.)

[illegible]

WHY "SAVE FIRST; SPEND AFTERWARD" WAS CHOSEN AS THE SLOGAN OF THE NATIONAL THRIFT CAMPAIGN.

The man who looks at the bottom of his purse for his savings usually finds no money there.

Trivial expenditures, the small change that he spent without thinking, have eaten up the dollars that he meant to save.

He could have saved the first dollar that he took out of his purse and never missed it in his spending.

This is the *Thrifty* way of living, and the man who does it consistently is achieving *Comfort* and *Prosperity*.

It means the loss of none of his accustomed pleasures, the sacrifice of no necessities.

The small but steady savings are as amazing in their total as they are easy to lay aside.

THE OLD SAYING IS THAT "MONEY TALKS"; THE FACT IS THAT "MONEY GROWS."

This interest table shows how savings expand when invested at 4 per cent interest compounded quarterly, the rate paid on War Saving Stamps when held until maturity

WHAT A SAVING OF \$1 A WEEK AMOUNTS TO.

Years.		Years.	
1	\$53.05	14	\$974.38
2	108.25	15	1,066.99
3	165.69	16	1,163.36
4	225.47	17	1,263.56
5	287.67	18	1,368.00
6	352.40	19	1,476.60
7	419.76	20	1,589.60
8	489.85	21	1,707.19
9	562.78	22	1,829.56
10	638.68	23	1,956.89
11	717.67	24	2,089.40
12	799.85	25	2,227.28
13	885.38		